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and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

Bankruptcy Case

No. 19-30088 (DM)

PG&E CORPORATION,

Chapter 11

- and -

(Lead Case)

**PACIFIC GAS AND ELECTRIC
COMPANY,**

(Jointly Administered)

Debtors.

**DECLARATION OF JOHN BOKEN IN
SUPPORT OF DEBTORS' SECOND MOTION
PURSUANT TO FED. R. BANKR. P. 9006(b)
AND 9027 ENLARGING THE TIME WITHIN
WHICH TO FILE NOTICES OF REMOVAL OF
RELATED PROCEEDINGS**

☐ Affects PG&E Corporation

☐ Affects Pacific Gas and Electric Company

☒ Affects both Debtors

Date: November 19, 2019
Time: 10:00 a.m. (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Objection Deadline: November 12, 2019
4:00 p.m. (Pacific Time)

1 I, John Boken, pursuant to section 1746 of title 28 of the United States Code, hereby declare
2 under penalty of perjury that the following is true and correct to the best of my knowledge,
3 information, and belief:

4 1. I am a Managing Director in the Turnaround Restructuring Services practice of
5 AlixPartners, LLP, which is an affiliate of both AlixPartners, LLC and AP Services, LLC, (“**APS**”),
6 which provides interim management services to Pacific Gas and Electric Corporation (“**PG&E**
7 **Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in possession
8 (collectively, “**PG&E**” or the “**Debtors**” and together with their non-Debtor subsidiaries, the
9 “**Company**”)¹ in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”). I currently serve as
10 the Deputy Chief Restructuring Officer (“**Deputy CRO**”) for the Debtors as authorized by this Court
11 by Order dated April 9, 2019 [Docket No. 1299].²

12 2. Except as otherwise indicated herein, the facts set forth in this Declaration are based
13 upon my personal knowledge, my review of relevant documents, and information provided to me by
14 the Debtors’ other employees or the Debtors’ legal, restructuring, and financial advisors. If called
15 upon to testify, I would testify competently to the facts set forth in this Declaration. I am authorized to
16 submit this Declaration on behalf of the Debtors.

17 3. This Declaration is submitted in further support of the Debtors’ *Second Motion*
18 *Pursuant to Fed. R. of Bankr. P. 9006(b) and 9027 Enlarging the Time Within Which to File Notices of*
19 *Removal of Related Proceedings* filed contemporaneously herewith.

20 **Litigation to Which the Debtors are a Party**

21 4. As noted in the Wells Declaration, before January 29, 2019 (the “**Petition Date**”), the
22 Debtors were party to numerous civil actions related to the 2017 and 2018 Northern California
23 wildfires. *See Amended Declaration of Jason P. Wells in Support of First Day Motions and Related*
24 *Relief* [Docket No. 263] (the “**Wells Declaration**”) at 11–17. In addition, as part of my role as Deputy
25 CRO, I am aware that the Debtors are party, including as a plaintiff, to over 300 civil actions and

26
27 ¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms
in the Motion.

28 ² My education, background, and professional experience is described in the *Declaration of John Boken*
in Further Support of First Day Motions and Related Relief [Docket No. 653] at 2–3.

proceedings entirely unrelated to the 2017 and 2018 Northern California wildfires. Given the sheer number of pending actions, the Debtors require additional time to consider whether to file notices of removal of the Civil Actions because the Debtors' key personnel must assess these numerous lawsuits while concurrently attending to the day-to-day demands of these complex Chapter 11 Cases.

Enlarging the Time to Seek Removal

5. I understand that under Federal Rule of Bankruptcy Procedure 9027, for cases commenced before the Petition Date, the Debtors have 90 days from the Petition Date to remove claims or causes of action from state to federal court. I also understand this Court granted an initial extension of the deadline for such removal through and including October 28, 2019.

6. In addition to operating a large and complex business and actively managing the substantial risks wildfire season poses to the over 16 million customers and numerous communities the Debtors serve, the Debtors have made substantial progress in the administration of these Chapter 11 Cases and toward the timely and successful confirmation of a chapter 11 plan of reorganization.

Among other things, the Debtors have accomplished the following:

- Effected a smooth transition into chapter 11, avoiding any significant business disruptions or dislocations that are normally attendant to the commencement of any chapter 11 case;
- Promptly restored their trade credit and their relationships with their suppliers and business partners, at a substantial savings to their estates;
- Established a \$100 million fund for wildfire claimants with housing and other urgent needs;
- Replaced substantially all of the members of their respective Boards of Directors with individuals having significant safety, industry, and restructuring expertise and retained a new Chief Executive Officer of PG&E Corp. and a new Chief Executive Officer of the Utility, each with decades of safety and industry experience, and have made several other senior leadership changes with respect to their gas and electric businesses;

- Reached comprehensive settlements with 18 public entities (the “Public Entities”), resolving all of their respective wildfire claims for an aggregate sum of \$1 billion to be implemented pursuant to the Debtors’ Plan;
- Negotiated and filed the Debtors’ First Amended Joint Chapter 11 Plan of Reorganization on September 23, 2019 (the “Debtors’ Plan”) which incorporates a comprehensive settlement (the “Subrogation Claims Settlement”) the Debtors reached with the Ad Hoc Subrogation Group resolving the approximately \$20 billion in asserted subrogation claims that relate to the 2017 and 2018 wildfires (the “Subrogation Claims” and the holders of Subrogation Claims, the “Subrogation Claimants”) for \$11 billion, a 45% discount;
- Obtained commitments for \$14 billion in new equity capital and \$34.35 billion in debt financing commitments from leading money center banks to implement the Debtors’ Plan;
- Moved forward with an estimation proceeding to determine for plan purposes the aggregate wildfire liabilities owed to uninsured and underinsured wildfire claimants and certain limited public entities;
- Established pre-confirmation briefing schedules for a multitude of plan confirmation-related issues, including with respect to (i) whether the doctrine of inverse condemnation applies to the Utility, (ii) whether certain public entity claims are liquidated or subject to estimation, (iii) whether the holders of senior unsecured bond claims are entitled to any make-whole premiums and thus unimpaired or impaired, and (iv) whether the holders of general unsecured claims are entitled to postpetition interest at the federal judgment rate or some other rate; and
- Commenced a proceeding before the California Public Utilities Commission to review and approve the Debtors’ Plan from a regulatory perspective.

7. All of these tasks have taken significant time but have been necessary to progressing

1 these Chapter 11 Cases to a resolution within the deadline imposed by AB 1054. In addition, the
2 Debtors have devoted substantial litigation resources to the trials regarding the Tubbs fire that are
3 proceeding in state court. As a result, the Debtors have not yet had the opportunity to fully examine all
4 of the Civil Actions to determine the feasibility or benefit of removing each case.

5 8. The Debtors are continuing to review their records to determine whether it would
6 benefit their estates to remove any of the Civil Actions. To date, however, the Debtors have not made
7 a determination as to which, if any, of the Civil Actions they may seek to remove. Therefore, I believe
8 that it is prudent to seek an extension of the time prescribed under Bankruptcy Rule 9027(a), until the
9 earlier of the Effective Date and June 30, 2020, to protect the Debtors' right to remove those Civil
10 Actions if they deem it to be appropriate. I believe the extension sought will afford the Debtors a
11 reasonable amount of time to determine whether to remove any pending Civil Actions and will help to
12 ensure that the Debtors do not forfeit valuable rights under 28 U.S.C. § 1452.

1 Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury, that the foregoing is true
2 and correct to the best of my knowledge, information, and belief.

3 Dated: October 25, 2019

4 Philadelphia, PA

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7 John Boken
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